

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY**

SPERRY ASSOCIATES
FEDERAL CREDIT UNION,

Plaintiff,

-against-

Hon. Dickinson R. Debevoise

CUMIS INSURANCE SOCIETY, INC.,

10-CV-00029-DRD-MAS

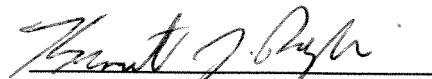
DECLARATION OF
KENNETH J. PAGLIUGHI IN
SUPPORT OF MOTION OF
PLAINTIFF SPERRY ASSOCIATES
FEDERAL CREDIT UNION FOR
PARTIAL SUMMARY JUDGMENT

Defendants.

I, KENNETH J. PAGLIUGHI, hereby declare as follows:

1. I am of counsel to the firm of Scott A. Rosenberg, P.C., attorneys for plaintiff Sperry Associates Federal Credit Union ("Sperry"). I submit this declaration in support of Sperry's motion for partial summary judgment against defendant CUMIS Insurance Society, Inc. ("CUMIS") as to liability on the First Count of Sperry's amended complaint for declaratory relief under coverage Part A of the Bond; and on the Third Count of Sperry's amended complaint for breach of contract.
2. I am over twenty-one years of age and am competent to, and would, testify as to the following facts. This declaration is submitted on the basis of personal knowledge, except where otherwise noted.
3. Attached hereto is a true and correct copy of the exhibits which Sperry refers to in its Reply Brief in further support of its motion for partial summary judgment:
 - (a) Cited pages of the deposition transcript of David Lynett from the action entitled Suffolk Federal Credit Union v. CUMIS Insurance Society, U.S. District Court for the Eastern District of New York, No. 10-cv-0001-ads-etb, annexed hereto as Exhibit "A."

Dated: Garden City Park, New York
February 9, 2011


Kenneth J. Pagliughi